Department of Revenue Services

List of LEAN initiatives that support the DRS Strategic Vision

Completed LEAN Projects

1. Forms
2. AR Scoring
3. Call Center
4. Debit Card
5. EITC
6. Modernized E-File II Phase I
7. IFTA Processing
8. Share Point Project – Phase I
9. DMV Cooperative Lean Sales and Use Tax project
10. Legislative Implementation 2012
11. Project MGT 101
12. 2012-2013 Communication Plan
13. Legislation 2013
14. Streamlined Penalty Waiver Procedures

LEAN Projects Underway

1. Modernized E-File II
2. IFTA Processing II
3. Share Point Project II
4. Legislative Change II
5. Succession Planning
6. Communications Plan
7. Zappers
8. Training Program
9. Operations Bureau Process Improvement Project
10. Payroll Unit
11. Refund Validation Project
12. Agency Relocation Program
13. BET Project

Completed LEAN Projects:

Forms:
- The Form's Project formalized a new process for designing and producing forms.
- It supports the agency's vision by adopting an "outside-in" approach that better considers the taxpayer's perspective and needs;
    - Increasing voluntary compliance by designing forms that are easier to understand and complete;
    - Reducing taxpayer calls by improving completion instructions;
    - Flattening the process by using a cross-agency approach to forms review and approval.

AR Scoring:
- Refined the current collection process
- Treatment Strategies based on taxpayer score
- A/R Scoring Project helps DRS establish a "new normal" work setting
    - Prioritization of work based on probability
    - Team Work – Improved work flow
    - Cost reduction
    - Expanded use of automation
- Success Story – Collections up 40%

Call Center:
- Refined the current Call Center processes
- Enable more of a "one-stop shopping" experience for the taxpayer
- Call Center Project helps DRS adopt an "Outside-In" perspective
    - Improved workflow (Level 1 & 2 Routing)
    - Revised ticketing system
    - Expanded use of automation

Debit Card:
- We "operationalized" the use of Debit Cards as a way to deliver refunds
- The Debit Card Project helps DRS establish a "new normal":
    - Streamlines processes,
    - Eliminates paper processing,
    - Reduces the cost of processing refunds

EITC:
- We "operationalized" the project into a functional program under the Operations Bureau
- The EITC Project furthers the Agency's vision by promoting an "In It Together" approach to getting the job done. One where our talents and resources are focused more deliberately.
    - Effectively documented the business process
    - Improved communication both internally and externally
    - Improved the identification of fraudulent/overstated claims

— Identified the resources needed to maintain timely responses

Modernized E-File II Phase I:
* We "operationalized" the further use and support of modernized e-file.
* It contributes to the achievement of the vision by setting a foundation for "redesigning workflow into whole jobs".
    — It leverages technology to reduce processing costs
    — It reduces error and assists the agency do "more with less'
    — It better enables Paid Preparer Requests
    — In summary, this project provided the DRS with a means of accepting electronically filed business returns, (Forms CT-1065/1120SI and the CT-1120 series).

IFTA Processing:
* The project developed a recommendation for addressing the disbandment of the IFTA Regional Processing Center (RPC)
* It contributes to the achievement of the vision by demonstrating how the new Project Management Mindset can be used to manage risk and improve outcomes for the Agency.
* The team's recommendation:
    — Ensures IFTA compliance
    — Lowers cost of operation
    — Embraces the latest online & web browsing software technologies;
    — Provides greater stability to permit future technology advances (upgrades)
    — Streamlines work associated with filing returns, requesting credentials and posting payments

Share Point Project Phase I:
* The project provided an overview of SharePoint 2010 services and capabilities to a core group of personnel across the organization
* It helped the Agency to gain insight into the key business challenges we are facing and determine how SharePoint could be utilized to address these opportunities
* A set of initiatives were documented that could be delivered on the SharePoint platform in support of the defined business challenges.

DMV Cooperative Lean Sales and Use Tax project:
- DRS has a long history with used car dealers not reporting or under reporting sales tax to us. We are working with DMV to obtain information regarding bad checks that are received for vehicle registrations as well as sharing suspended sales tax permit information to identify dealers who may be in financial crisis. We currently estimate very modestly that over two million dollars per year collected in sales tax money is not being reported by the dealers, based on vehicles being sold and registered with DMV.
- DRS has requested a list of active automobile dealers (new and used) from DMV's computer system.
- DRS would like to continue to discuss what compliance enforcement can be done with financially distressed dealers.

Legislative Implementation 2012:
- This project provided structure to the way the department develops its legislative package. The structure will ensure all suggestions are raised and reviewed timely.
- The project also introduced the concept of an on-line form to solicit proposals as well as an on-line tracking system for the proposals to be used by senior management and select staff (that will provide a comprehensive listing of all legislative initiatives/proposals)

Project Management 101:
- This project prepared agency employees to assume a project management role on an Agency Strategic project in the following ways:
  > Exposing attendee to the fundamentals of Project Management
  > Outlining the project management standards for the Agency
  > Providing an opportunity to practice select project management skills

Streamlined Penalty Waiver Procedures:
- This project streamlined the penalty waiver process. Regulations have been revised and are in process of being promulgated. Under new process, Penalty Waiver Unit is responsible for all penalty requests under $1,000 and the Litigation Division is responsible for all requests of $1,000 and over. Commissioner continues to review all requests of $500 and over.
- Litigation Division developed a new internal recommendation form that is based on criteria contained in revised regulations.
- Litigation Division and Penalty Waiver Unit now meet monthly. Litigation Division coordinates with Penalty Review Committee with regard to recommended approvals

Operations Bureau Process Improvement Project:
- This project reviewed and documented the current processes in the four major functional areas of the bureau; recommended what future processes could and should be and outlined an implementation plan on how to arrive at our future state which is line with our vision at DRS.

LEAN Projects Underway

Modernized E-File II Phase II:
- Continuation of Phase I adding in CT-1120 series with a go live date of 5/2013
  It contributes to the achievement of the vision by setting a foundation for
  "redesigning workflow into whole jobs".
  - It leverages technology to reduce processing costs
  - It reduces error and assists the agency do "more with less'
  - It better enables Paid Preparer Requests

IFTA Processing Phase II
- Now that recommendation to go with KY has been agreed upon we are in the
  process of:
  - Examining the final RFP draft from KY
  - Examining proposals for audit software requirements to be included in
    RFP
  - Preparing task list for implementation stage

SharePoint Phase II:
- A pilot project will be run to migrate the Lotus Notes Legal applications to
  SharePoint.
- The Agency will establisha Governance Plan and a set of Standards that DRS will
  use going forward on other SharePoint initiatives.

Legislative Change Phase II
- This phase will roll out the newly revised an on-line form to solicit proposals as
  well as an on-line tracking system for the proposals to be used by senior
  management and select staff (that will provide a comprehensive listing of all
  legislative initiatives/proposals)
- Going forward this process will be operationalized into the Agency.

Succession Planning:
- This project will prepare DRS for the growing number of retirements by
  developing a comprehensive Succession Plan
  - Identify gaps and recommend strategies to fill them
  - Identify competencies for key positions
  - Identify & recommend strategies to achieve knowledge transfer and
    develop training programs
  - Analyze recruitment strategies taking into consideration the impact to the
    diversity of the workforce & recommend a recruitment plan
  - Develop & recommend transition plan

Communications Project:
- This project will assess the Agency's current communications environment
- Identify additional communication vehicles that can be used to improve this environment
- Design a comprehensive Communication Program Plan consisting of the projects necessary to facilitate and support the DRS vision
- Improve and ensure effective, efficient and timely communications, both with DRS and between the Agency and its stakeholders

Zappers:
- This project will discuss the potential loss of revenue due to sales suppression software, provide methods to identify businesses that may be using sales suppression devices and recommend a course of action regarding the loss of revenue due to sales suppression devices.

Training Project:
- This project will assess the Agency's current training environment and practices;
- Identify additional training delivery vehicles that can be used to improve the Agency's training environment;
- Design a comprehensive Training Program Plan consisting of the projects necessary to facilitate and support the realization of the DRS Vision;
- To ultimately improve and ensure effective, efficient and timely training within DRS.

Payroll Office Project:
- This project will identify the most effective work flow processes and resources to improve the customer service provided by the unit.
- To increase customer service satisfaction.
- To increase efficiencies within the unit and reduce overtime.
- To identify and recommend best practices and experiences from other agencies and related industries.

Refund Validation Project:
- DRS processes approximately one million state income tax refund requests annually. DRS has an existing rules-based solution that addresses a significant portion of overall refund fraud; however, the DRS believes access to a tax fraud solution drawn from data sources not available to the Department will address the growing impact of identity fraud in tax refund requests.
- The DRS Refund Validation Project will provide additional matches against external computer data bases to improve fraud detection and reduce the risk of fraudulent refunds.
- The DRS will utilize an identity-driven tax refund payee identity verification solution to identify and flag these potentially fraudulent refunds before they are released.

Agency Relocation Project:
- DRS was asked by DAS to participate in a space planning project for the possible relocation of employees from 25 Sigourney Street

BET Project:
This project will determine the following:
- Establish policies and procedures to address BET accounting issues,
- Develop an internal procedure for modifying start and close dates in ITAS based on the effective dates of Articles of Organization and Articles of Dissolution from the Secretary of State;
- Develop a procedure to obtain a list of dissolutions from the Secretary of State and run against ITAS accounts on a regular basis.